

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 93

February 1, 2011

SUMMARY OF BILL: Requires the legislative body of Shelby County or any of its municipalities to reduce the respective county-wide and city-wide real property tax rate to a level substantially sufficient to offset 100 percent of revenue derived from a payroll tax, if levied.

ESTIMATED FISCAL IMPACT:

**Local Revenue – Net Impact – Not Significant/Permissive
Local Expenditures – Less than \$10,000/Permissive**

Assumptions:

- If a payroll tax is implemented by the named county or municipal legislative bodies, the increase in revenue from the payroll tax would be offset by the decrease in real property tax revenue, resulting in no net revenue impact.
- The payroll tax would be implemented and the real property tax would be reduced in the same fiscal year.
- To offset reductions in real property tax revenue, the increase in payroll tax revenue would be allocated in the same manner as the real property tax revenue.
- The implementation of a payroll tax and reduction in real property tax would be accomplished in a manner that avoids equalization issues.
- Based on information provided by the Comptroller of the Treasury, local government programming and administrative costs are estimated to be less than \$10,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "James W. White".

James W. White, Executive Director

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